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U.S. EPA Requires AllenCo to Comply with Federal Laws, Improve Safety Measures

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Company Ordered to Make Significant Improvements to Operations

LOS ANGELES—Today, the U.S. Environmental Protection Agency (EPA) finalized an agreement with AllenCo Energy Inc. requiring the company to make significant improvements to operations at its oil production facility located in a residential neighborhood of South Los Angeles. Today's action is a result of a November 6, 2013 inspection that uncovered violations at the facility. AllenCo estimates that it will spend approximately \$700,000 to implement improvements at the facility, including the actions required by EPA's order.

"When a company is operating in extremely close proximity to a neighboring community, it is essential that steps are taken to ensure the safety of the residents," said Jared Blumenfeld, EPA's Regional Administrator for the Pacific Southwest.

"Today's order requires AllenCo make the investments necessary to comply with the federal Clean Air and Clean Water Acts."

During the investigation, EPA found that AllenCo was in violation of the "General Duty Clause" of the Clean Air Act because it didn't meet recognized industry standards and practices. Specifically, the facility did not take sufficient measures to prevent accidental air releases of hazardous substances which include the inspection, testing and preventive maintenance of flammable gas and flame detectors, firefighting equipment, and oil storage tanks as well as pressure vessels and associated piping systems. During the inspection EPA also found that AllenCo was in violation of the Clean Water Act, which requires onshore oil production facilities that may discharge oils into waterways to prepare and implement a Spill Prevention, Control and Countermeasure (SPCC) plan.

The facility voluntarily shut down operations in late November 2013. Under the terms of the agreement, the facility must complete the following actions at least 15 days prior to re-opening the facility:

--Certify that all of the facility's flame and combustible gas detectors, fire suppression systems, atmospheric tanks, pressure vessels and piping at the facility have been recently inspected and are up to code;

--Implement inspection, testing, and preventive maintenance procedures for all of its equipment;

--Re-engineer the open trench located at the production pit in order to prevent produced fluids from being exposed to the atmosphere;

--Implement a leak detection and repair program on all process equipment including piping, pumps, and compressors; and

--Revise SPCC plan to include a proper facility diagram, a complete contact list for response and discharge reporting and train personnel on the proper operation and maintenance of equipment.

AllenCo is a small oil production facility located approximately two miles from the University of Southern California. The facility has been operating in this location since the 1960s. The property is owned by the Catholic Archdiocese of Los Angeles and has been operated by AllenCo since 2009. Since 2010, the South Coast Air Quality Management District (SCAQMD) has received hundreds of complaints from residents near the facility of noxious odors and health effects such as headaches and nosebleeds. EPA's investigation was prompted by community complaints regarding emissions coming from the facility. The agency continues to coordinate closely with the SCAQMD, the Los Angeles City Attorney's office, the Division of Oil, Gas and Geothermal Resources, as well as other state and local agencies that have also completed investigations of their own at the site.

For more information on the Clean Water Act SPCC, please visit: <https://www.epa.gov/oem/content/spcc/>


For more information on the Clean Air Act General Duty Clause, please visit:

<https://www.epa.gov/emergencies/docs/chem/gdc-fact.pdf>


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